GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:4035
ANSWERED ON:18.08.2000
GOVERNMENT POLICY FOR DISINVESTMENT PRIVATISATION
VSM (RETD.) COL. CHOUDHARY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether in view of the Government policy for disinvestment / privatisation of Public Sector Enterprises, the number of foreign companies which have shown their inclination in the scheme, especially in the field of oil refineries, power, communications, exploration and distribution with related operation etc.;

(b) if so, whether these foreign companies would be allowed to repatriate cent percent operation profit without reploughing the profit for further investment;

(c) if so, whether the Government propose to take adequate measures to ensure that repatriation does not take place in full at lease for the next five years or so; and

(d) if so, the details thereof?

Answer

Minister of State of the Department of Disinvestment (Shri Arun Shourie)

(a) Disinvestment results in reduction of Government equity in various Central Public Sector Enterprises. Keeping in view the facts and circumstances of the specific company and in accordance with the declared policy of disinvestment, Government equity is reduced in various Public Sector Companies through different methods like strategic sale, offer of shares in domestic or international markets etc. Depending on the method of sale, the eligible bidders / institutions, which include foreign companies, show their interest to pick up the shares offered during disinvestment. Some foreign companies have also shown such interest in the disinvestments under consideration

(b), (c) & (d) Under Foreign Exchange Management Act 1999, no restriction has been placed on remittance of profits and dividends to foreign investors.